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No. 91-646

Supreme Court, U.S.

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IN THE

Supreme Court of the United States

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OCTOBER TERM, 1991

INVESTACORP, INC.,

*Petitioner,*

v.

ARABIAN INVESTMENT BANKING CORPORATION

(INVESTCORP) E.C. D/B/A/ INVESTCORP

AND INVESTCORP INTERNATIONAL, INC.,

*Respondents.*

On Petition for a Writ of Certiorari to  
the United States Court of Appeals  
for the Eleventh Circuit

RESPONDENTS' BRIEF IN OPPOSITION

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## QUESTIONS PRESENTED

- 1. Whether the Court of Appeals' refusal to attach a presumption of "suggestiveness" on the United States Patent and Trademark Office's act of passing a mark for publication without proof of secondary meaning, yet prior to registration of the mark, conflicts with decisions from other circuits.
2. Whether this Court should grant certiorari to review the question whether the Court of Appeals properly affirmed the grant of summary judgment to respondents upon a finding that the record, including consideration of third party usage, reveals no genuine issue of material fact.

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RESPONDENTS' BRIEF IN OPPOSITION

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Respondents, Arabian Investment Banking Corporation (Investcorp) E.C. D/B/A Investcorp and Investcorp International, Inc., respectfully request that this Court deny the petition for a writ of certiorari seeking review of the Eleventh Circuit's decision in this case.<sup>1</sup>

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<sup>1</sup> The opinion of the Court of Appeals is now reported at 931 F.2d 1519.

## STATEMENT OF THE CASE

Petitioner, Investacorp, Inc., is a Florida corporation whose primary business is providing financial services as a broker/dealer and as an intermediary between individuals, corporations, and institutions seeking investment opportunities. There are two respondents in this case: Arabian Investment Banking Corporation (Investcorp) E.C. ("Investcorp E.C.") and its subsidiary, Investcorp International, Inc.<sup>2</sup> Investcorp E.C. is an investment bank headquartered in Bahrain which began doing business in the United States under that name in 1983. Investcorp International, Inc. was organized by Investcorp E.C. in November 1986 to continue conducting the business of Investcorp E.C. in the United States.

Respondents filed for federal service mark registration for "Investcorp" in June 1987. The Patent and Trademark Office ("PTO") allowed the "Investcorp" service mark to pass to publication for potential opposition to registration. Petitioner argued in the courts below and argues here, Pet. at 3, that this simple administrative act, without more, establishes that the PTO necessarily "concluded" that the Investcorp mark was "suggestive" rather than merely "descriptive." If the PTO had so concluded, then an evidentiary presumption in favor of "suggestiveness"

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<sup>2</sup> All parties to these proceedings are named in the caption. The parent of Investcorp International, Inc. is Investcorp S.A. The parent of Investcorp S.A. is Investcorp Holdings, Ltd. of which Investcorp E.C. is the parent. The parent of Investcorp E.C. is CP Holdings Limited. The parent of CP Holdings Limited is Investcorp Corporate Holdings Limited of which Sipco Limited is the parent.

would, under the cases, have arisen that might have been of some assistance to petitioner.

Four months later, in October 1987, petitioner filed for federal service mark registration for "Investacorp." In February 1988, petitioner filed a Notice of Opposition with the Trademark Trial and Appeal Board of the PTO, opposing registration of the Investcorp service mark. The PTO never registered either of these service marks.

Petitioner subsequently sued respondents on several counts of service mark infringement and unfair competition. The district court granted summary judgment in favor of respondents on all counts of the complaint. In a thorough opinion analyzing the relevant facts, the court determined that petitioner does not have a proprietary interest in the mark "Investacorp" because the service mark is "descriptive" and petitioner had not established secondary meaning. On review, the Court of Appeals affirmed the district court's factual determination that the term "Investacorp" is descriptive. That court squarely rejected petitioner's argument that the PTO's action in passing the mark on to publication without proof of secondary meaning entitled it to an evidentiary presumption that the mark was not descriptive. As the Court put it, the record in this case does not establish "whether the PTO even considered the descriptiveness of either mark." Pet. App. at 10a. The court further concluded that third party usage by competitors is probative of distinctiveness and therefore relevant to the distinctiveness inquiry. Pet. App. at 8a.

#### SUMMARY OF ARGUMENT

The Eleventh Circuit's refusal to apply a presumption of suggestiveness to the PTO's action in passing

the service mark for publication without proof of secondary meaning was compelled by the record before it and is not at variance with any decision by any other Federal Court of Appeals. First, no conflict exists because all of the cases cited by petitioner involve situations in which a service mark has finally been registered by the PTO—a critical distinction that petitioner completely ignores. The presumption embraced by petitioner in the courts below attaches only after registration. Unlike those cases, however, the PTO has taken no such action here; neither the "Investacorp" nor the "Investcorp" mark is registered. Indeed, the court below expressly acknowledged that, where due, "we will bestow proper respect to the determinations of the PTO." Pet. App. at 10a. Therefore, the Eleventh Circuit's refusal to apply a rebuttable presumption that the mark was not merely descriptive is not in conflict with any decisions of other Courts of Appeals.

Secondly, not only was the service mark not registered, but the record in this case is totally devoid of any support for the proposition, critical to petitioner's case, that the PTO made any "determination" or reached any "conclusion" that would warrant deference by the courts below. Instead, petitioner makes only the unsupported assertion that the PTO's allowance of any mark to pass to publication without proof of secondary meaning, yet prior to registration, must be viewed as a "conclusion" or "determination" that that mark is "suggestive," entitling it to the same presumption courts have correctly recognized only for those marks that have been granted registration. The decision below is both correct and does not conflict with any decision of any other Court of

Appeals; there is, accordingly, no inter-circuit conflict which this Court need address.

Petitioner's second question is equally unworthy of this Court's review. That question presents no important issue of law, nor are the circuits in conflict regarding any point raised by petitioner. Indeed, the only apparent basis for petitioner's seeking review of this question is to have this Court determine that the court below erred in the manner in which it "relied" upon third party use in affirming the district court's decision that there were no genuine issues of material facts in dispute. Where findings of fact have been made by two courts below, this Court will not expend its limited resources to review alleged errors in their factual determinations.

#### **REASONS WHY THE WRIT SHOULD BE DENIED**

##### **I.**

###### **The Eleventh Circuit's Decision Is Not In Conflict With the Decisions of Other Circuits**

Petitioner quotes the Tenth Circuit's statement that "[m]ost courts that have considered the issue do hold that the PTO's decision to register a mark without requiring proof of secondary meaning creates a rebuttable presumption that the mark is suggestive, arbitrary, or fanciful rather than merely descriptive." *GTE Corporation v. Williams*, 904 F.2d 536, 538 (10th Cir. 1990); Pet. at 4. Petitioner then tries to create a conflict by asserting that the Eleventh Circuit failed to apply the presumption to which petitioner asserts it was entitled by refusing to "defer to that agency's conclusion of protectability." Pet. at 5. Petitioner's attempt to construct a conflict suitable for this Court's

review, however, is severely deficient for several reasons.

First, the cases cited by petitioner for applying the presumption are inapposite to the present case. In each case, the service mark at issue had been *registered* by the PTO without proof of secondary meaning.<sup>3</sup> In fact, petitioner itself notes the importance of the act of registration in giving rise to the presumption of suggestiveness:

*The significance of registration without proof of secondary meaning . . . is that the Patent and Trademark Office has ‘concluded’ that the mark or figure was not ‘“merely descriptive” “but suggestive”’ and this ‘essential fact [i.e., the action of the Patent and Trademark Office] must be considered *prima facie* correct by a court in considering the validity of a trademark . . . .’ ”*

Pet. at 5-6 (emphasis added and deleted), quoting *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1529 (4th Cir. 1984). In the present case, Petitioner concedes, as it must, that neither the “Investacorp” nor the “Investcorp” service marks were granted registration

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<sup>3</sup> Petitioner cites cases from five different courts of appeal; in all of those cases, the PTO had granted registration to the service marks at issue. See, e.g., *GTE Corporation*, *supra*; *Paper cutter, Inc. v. Fay's Drug Co., Inc.*, 900 F.2d 558, 563 (2d Cir. 1990); *Wynn Oil Co. v. Thomas*, 839 F.2d 1183, 1190 (6th Cir. 1988); *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1528-29 (4th Cir. 1984); *Playboy Enterprises, Inc. v. Chuckleberry Publishing, Inc.*, 687 F.2d 563, 567 (2d Cir. 1982); *The Money Store v. Harriscorp Fin., Inc.*, 689 F.2d 666, 673 (7th Cir. 1982); *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 11 (2d Cir. 1976).

by the PTO.<sup>4</sup> There is, therefore, no conflict between the decision below and the decisions of the other circuits relied upon by petitioner.

Undaunted, petitioner attempts to bootstrap the decision below into a conflict by asserting that the PTO's action of passing respondents' mark for publication is tantamount to the "agency's conclusion of protectability" or "the PTO's decision confirming the protectability and registrability of the marks." Petitioner, however, cites no authority whatsoever for the proposition that anything less than registration itself is deserving of or gives rise to this statutorily created presumption. Nor does Petitioner cite a single case in support of its assertion that the preliminary act of passing a mark to publication constitutes a "conclusion," "determination," or "confirmation" by the PTO to which a court should give deference. As the court below correctly responded to petitioner's invitation, "we will not defer to an ethereal determination that is not affirmatively stated by the administrative agency." Pet. App. at 10a. The Court of Appeals correctly withheld application of the pre-

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<sup>4</sup> The evidentiary presumption in which petitioner seeks refuge is created by 15 U.S.C. § 1115(a), which expressly provides only that "registration . . . of a mark shall be admissible in evidence and shall be prima facie evidence of registrant's exclusive right to use the registered mark in commerce . . ." What petitioner in fact asks this Court to do is to rewrite § 1115(a) to extend the statutory evidentiary presumption to a completely different administrative action from that contemplated by § 1115(a) as it presently exists. Passing the policy issues that would be raised by equating an unfinished administrative process with a completed administrative process, in this or virtually any other context involving the administrative state, this Court does not sit as a legislature to revise duly enacted statutes.

sumption; indeed, it would have been clear error to apply the presumption. In any event, it is manifest that the decision below is not in "direct conflict" with the decisions of other Courts of Appeals.

## II.

### **The Second Question Does Not Present an Issue of General Importance And Involves Only a Claim of Factual Error**

Petitioner also asks the Court to review the correctness of "the manner in which [the appellate court] relied upon listed 'third party use' " in affirming the judgment. Pet. at 7. Petitioner, however, provides no reasons why this Court should grant review of that question. Petitioner does not contend that a conflict exists with respect to the resolution of this fact-bound question by the courts below. Moreover, an examination of this question reveals that the issue raised is not otherwise grist for the Court's mill because the only issue presented is whether the courts below erred in determining that no genuine issue of material fact existed for purposes of disposing of petitioner's complaint by summary judgment.

It is well established that this Court will deny certiorari to review a lower court decision that turns solely upon an analysis of the particular facts involved. As this Court has stated, "[w]e do not grant a certiorari to review evidence and discuss specific facts." *United States v. Johnston*, 268 U.S. 220, 227 (1925). This Court should deny certiorari all the more when "findings of fact made by the district court receive the concurrence of the court of appeals." R. Stern, E. Gressman & S. Shapiro, *Supreme Court Practice* 218 (6th ed. 1986). Indeed, "[A] court of law, such as this Court is, rather than a court for cor-

rection of errors in fact finding, cannot undertake to review concurrent findings of fact by two courts below in the absence of a very obvious and exceptional show of error." *Graver Mfg. Co. v. Linde Co.*, 336 U.S. 271, 275 (1949).

In the present case, the question of third party usage is relevant only to the ultimate finding that petitioner's service mark is descriptive. Petitioner does not dispute that "[t]he distinctiveness categorization given a term is a question of fact," *Investacorp, Inc. v. Arabian Investment Banking Corp.*, 931 F.2d at 1523; Pet. App. at 7a, and recognizes that the court below "also considered third party listings to support its finding." Pet. at 7. Nevertheless, petitioner would ask this Court to review and overrule these findings of fact because, assertedly, "the manner in which [the appellate] court relied upon listed 'third party use' mandates review." Pet. at 7. Specifically, petitioner asserts that the court below erred in relying on a list of users, *inter alia*, to support its finding on this point rather than on a demonstration of actual usage.

In support of this assertion, petitioner erroneously relies upon cases that discuss third party usage in determining the *strength* of a mark rather than its *distinctiveness*. For example, in *Safeway Stores, Inc. v. Safeway Discount Drugs, Inc.*, 675 F.2d 1160, 1164 (11th Cir. 1982) (emphasis added), the court stated: "The words of a mark are not, however, the sole factors determining its *strength*. Also important is the extent of third party use of the words of the mark." See also 1 J. McCarthy, *Trademarks and Unfair Competition*, § 11:26 (1973) ("§ 11:26 Strength and third party use . . . Evidence of third party use of similar

marks on similar goods is admissible and relevant to show that the mark is relatively weak and entitled to only a narrow scope of protection.") The determination made by the courts below did not go to the strength of petitioner's mark but to the distinctiveness, e.g., the descriptive, suggestive, or arbitrary nature of the mark. Thus, petitioner's five assignments of error as to the "manner" the court below considered third party usage are misdirected.

Secondly, even were petitioner's arguments pertaining to third party usage directed properly at *distinctiveness* rather than at strength of the mark, review by this Court would not lead to the formulation of a new rule to govern similar cases, nor would review by this Court ultimately change the result in this case. Petitioner agrees that third party usage was just one consideration "to support [the court's] finding." Pet. at 7. Other factors supporting the lower court's decision to grant summary judgment include the dictionary definition of the formatives of the mark and the absence of secondary meaning.<sup>5</sup> Therefore,

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<sup>5</sup> As to the use of formatives, petitioner attempts to construct yet another error that "begs review" by this Court. It alleges that the court below failed to consider the "entirety of the 'Investacorp' service mark" and that such action runs contrary to the decision in *Investographs, Inc. v. Dynamics Investment Service, Inc.*, 130 U.S.P.Q. 43 (T.T.A.B. 1961); Pet. at 9. To the contrary, the Court of Appeals expressly considered both the formatives "invest" and "corp" in making its determination. Pet. App. at 8a. Moreover, the Trademark Trial and Appeal Board in *Investographs, Inc.* did not have before it any issue involving the descriptiveness of the marks involved, one of which was registered and the other unregistered. Indeed, the Board stated at the outset that "the only question for determination is whether or not 'INVEST-O-GRAM' so resembles 'INVE-

review by the Court of the second question would not resolve any important legal questions, nor would it ultimately affect the judgment in this case.

Petitioner's objection goes to the manner of the appellate court's application of agreed-to legal principles to the peculiar facts of this case. Thus, petitioner asks this Court to conduct a "review of the record" for error in order to overrule the district court's finding, and the court of appeal's *de novo* review and affirmation of that finding, that the mark is descriptive. That request presents no occasion for the exercise of this Court's certiorari jurisdiction.

### CONCLUSION

The first question presented by petitioner is not, contrary to petitioner's argument, a subject of conflict among the Courts of Appeals. The second question presented does not raise substantial legal issues of general applicability and, indeed, centers on a finding of fact that could have significance, if any, only to

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TOGRAPHS' as to be likely to cause *confusion* in the trade." *Id.* at 44 (emphasis added). Petitioner's bold attempt to borrow the language of *Investographs, Inc.* for its own purposes is unfounded.

the parties to this case. For these reasons, the petition should be denied.

November 19, 1991      Respectfully submitted,

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